



ARMENIA

Armenia was selected to participate in Millennium Challenge Account program in fiscal years 2004-2006.



General Information:

Population: 3,049,658

Location: Eurasia (Caucases)

Capital City: Yerevan

Relative Size: about the size of Maryland

Economic Statistics:

GNI Per Capita: \$1,120

Gross Domestic Product: \$3.6 billion

GDP Growth Rate: 10%

Compact Goal:

The reduction of rural poverty through a sustainable increase in the economic performance of the agricultural sector. To be achieved through a five-year program of strategic investments in rural roads and irrigated agriculture.

Expected Results:

Rural Road Rehabilitation Project:

Upgrade up to 943 km, providing 265 communities and 360,000 rural residents with reduced transport costs and better access to jobs, markets and social services

Irrigated Agriculture Project: Increase the productivity of 250,000 farmer households (34% of which are headed by women) through improved water supply, higher yields, higher-value crops and a more competitive agricultural sector by:

- *Infrastructure Activity:* Adding 114,000 acres (40% increase) of newly irrigated land and increasing efficiency by converting from pump to gravity fed irrigation, reducing water losses, improving drainage.
- *Water-to-Market Activity:* Improving efficiency of water delivery to farmers and increasing farm productivity and profitability through technical assistance and credit support.

By 2013: the rural poverty rate, which has reacted sluggishly to aggregate economic growth to date, should fall by 5 percentage points as a result of the MCA-Armenia Program.

Update on Progress

- MCC Board Approved the Millennium Compact with Armenia

Statement by Armenian Ministry of Foreign Affairs

"The significance and essence of the Millennium Challenge program is to support those countries which demonstrate good governance, and unwavering commitment to invest in human resources and in the principles of democracy and a liberal economy. Nevertheless, we are very aware that the decision of the Millennium Challenge Corporation is not irreversible, and we have much to do to assure our continuous and complete inclusion in that program. By taking into serious consideration the concerns expressed by MCC President Ambassador John Danilovich in his letter to the President of the Republic of Armenia, we wish to reaffirm our commitment to those fundamental principles which are essential to qualify for MCC assistance. Deeply aware that we have serious work to do to implement reforms in Armenia, we are determined to respond to all the issues raised in the letter."